THE ROLE OF PROFESSIONAL PARTIES IN MERGERS & ACQUISITIONS

September 18, 2014

building relationships, creating wealth

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GREENWICH TRUST LIMITED

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Introduction

Merger

- Means "To combine by exchange of voting rights"

Share Exchange

Share Dilution

No Objection from the SEC and Court Sanction

Scheme of Merger

Increased Shareholders Base

Time Consuming

End Result =
Combination of two or more entities

Acquisition

- Means "To combine by buying another"

Cash Consideration

No Share Dilution

No Objection from the SEC

Information Memorandum

Shareholders Base

Speedy Closure

End Result =
Acquisition of all or some ownership stake of a company by another entity

M&A constitutes an inorganic growth strategy that facilitates a quicker and easier way to grow market share and industry competitiveness.

Relationship Between Mergers & Acquisitions

Criterion	Definition	Mergers	Acquisition
Regulatory Interface	Level of regulatory interface	● High	◒ Low
Complexity of execution	The ease of executing mandates	● High	◒ Low
Valuation	Determination of consideration to be paid	◒ Negotiated	◒ Negotiated
Transaction Cost Implication	Overall cost of engaging Professional Parties	● Moderate	◕ Low
Estimated duration	Time required to complete execution	● 6 months	◕ 3-4 months
Stakeholder Acceptability	How the likely outcome is perceived	● High	◒ Low

Business Case for M&A

GREENWICH TRUST LIMITED

Pre TRANSACTION

Company A + Company B

Post TRANSACTION

Enlarged Entity Company [A + B]

- Post transaction, any of the companies can become the enlarged entity or the combined entity can adopt a new name.
- Licensed Professional Parties are required for a seamless transaction execution phase

Some benefits of M&A

Increased Basket of Opportunities	"One Backbone"	Enlarged Financial Position
More market share and access to a wider range of initiatives	Value – adding shared services via synergy	Stronger asset base, shareholders' funds, cash flows, & access to capital

Important Notes

GREENWICH TRUST LIMITED

Regulations

M&A practice in Nigeria is based on the provisions of:

- The Investments and Securities Act 2007 (“the ISA”);
- The Securities and Exchange Commission rules;
- The Nigerian Stock Exchange listing rules (for listed companies);
- The Companies and Allied Matters Act 2004 (“CAMA”); and
- Sector or industry-specific rules in many cases.

- If properly managed, M&A give rise to better, bigger and more competitive companies.
- Properly positioning a company for potential M&A opportunities is critical.
- To maximize the chances of success, M&A “parties" should be appointed well in advance to enable them prepare for what usually is a very engaging and rigorous exercise.

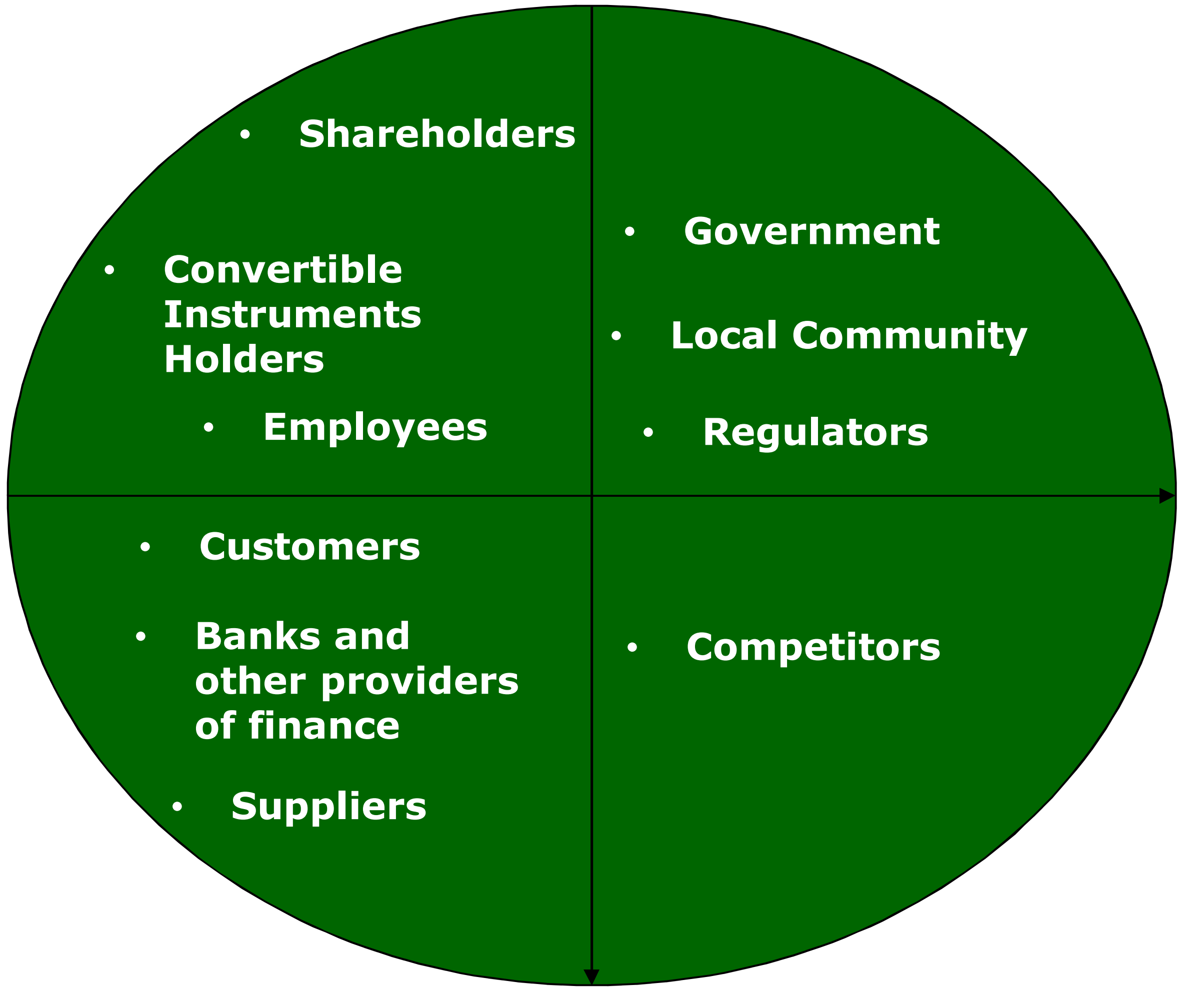
Selected Recent M&A Transactions in Nigeria

Announced Date	Target/Issuer	Buyers/Investors	Sellers
2014	Dangote Group	Investment Corporation of Dubai	-
2014	ETI	Qatar National Bank	-
2014	Union Bank Plc	Atlas Mara	-
30/07/2014	Brass LNG Limited	Total SA (ENXTPA:FP); Eni SpA (BIT:ENI); Nigerian National Petroleum Corporation	ConocoPhillips (NYSE:COP)
15/07/2014	Nokia Nigeria (West Africa) Limited	Microsoft Corporation	Nokia BV
10/07/2014	Union Registrars Limited	Citadel Nominees Limited	Union Bank of Nigeria Plc (NGSE:UBN)
01/07/2014	Oasis Insurance Plc (NGSE:OASISINS)	FBN Life Assurance Ltd.	Oasis Group Limited
03/06/2014	Stake in 4 Companies	Lafarge Cement WAPCO Nigeria Plc (NGSE:WAPCO)	Lafarge S.A. (ENXTPA:LG)
02/06/2014	ARM Pensions Managers Ltd	Helios Investment Partners LLP	Asset & Resource Management Company Ltd
09/05/2014	Consolidated Breweries Plc	Nigerian Breweries Plc (NGSE:NB)	Heineken NV (ENXTAM:HEIA)
18/03/2014	Union Homes Savings and Loans Plc (NGSE:UNHOMES)	ASO Savings & Loans PLC (NGSE:ASOSAVINGS)	Union Bank of Nigeria Plc (NGSE:UBN)

Section

Key Stakeholders

- A stakeholder has been defined as an individual or group with interest in either the target or bidding firm.
- They need to be considered and engaged prior to embarking on an M&A deal.
- Efforts should be directed at the most important stakeholder groups.



Section

The Professional Parties

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- Companies have different requirements for the composition of a transaction team. However, most teams consist of the following:

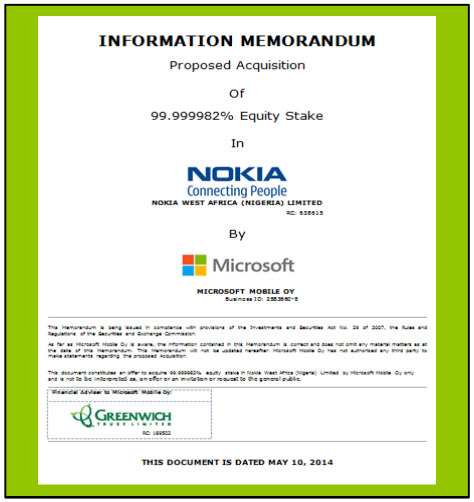
- Financial Advisers
- Solicitors
- Reporting Accountants
- Escrow Bank
- Due Diligence Consultants (Financial, Tax, HR, ICT, etc.)
- Auditors
- Registrars (if the company is a Plc)
- Stockbrokers (if quoted)

Criteria for Selecting Professional Parties

Experience	Track record of delivering transactions of this nature is key. An understanding of the processes involved cannot be overemphasized.
Knowledge of the company's industry	Many aspects of M&A deals are driven by industry-specific standards and practices. Having professional parties with exposure to your industry is important.
Competence.	A team of M&A experts with required execution skills and capacity will do the transaction a lot of good.
Accessibility	Parties should be those that will devote time to the transaction.
Teamwork	Parties are not expected to work in isolation. They must work hand-in-hand as a unit working towards a common good.
Complementarity	Each party should complement the other. They should have similar work ethic, especially because there can be an overlap in responsibilities and efforts in some cases.

Section

The Financial Adviser's Role


INFORMATION MEMORANDUM

Proposed Acquisition

Of

99.999982% Equity Stake

In

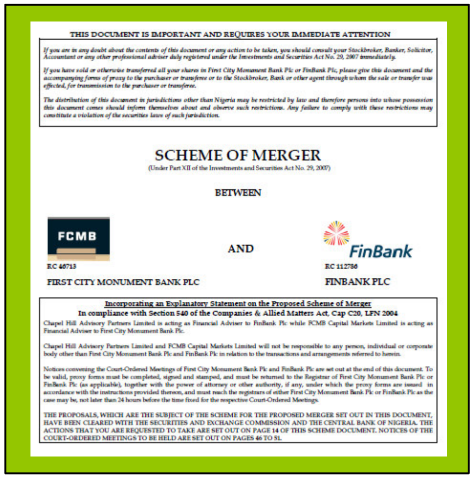
NOKIA
Connecting People
NOKIA WEST AFRICA (NIGERIA) LIMITED

By

Microsoft
MICROSOFT MOBILE OY

GREENWICH TRUST LIMITED

THIS DOCUMENT IS DATED MAY 10, 2014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SCHEME OF MERGER

BETWEEN

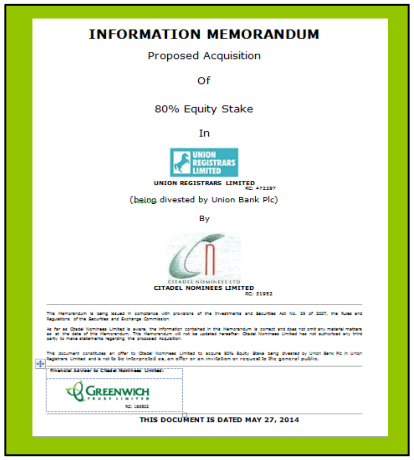
FCMB AND FinBank

FIRST CITY MONUMENT BANK PLC

FINBANK PLC

- Evaluate the companies, conduct valuation and propose a feasible structure for a seamless transaction.
- The financial advisers provide guidance to clients on the appointment of other parties based on extensive experience on capital market transactions.
- Coordinate the activities of the other professional parties.
- Market the acquirer/target company to interested targets/acquirers and facilitate the consummation of the transaction.
- Preparation of relevant documents such as Scheme of Merger, Information Memorandum, Scheme of Arrangements, etc.
- File relevant applications and obtain approvals with regulators and help in issuing new shares where necessary.
- Facilitate the acquirer's ability to fund the transaction.

Roles Played by Other Professional Parties



INFORMATION MEMORANDUM

Proposed Acquisition

Of

80% Equity Stake

In

UNION REGISTRARS LIMITED

RC: 472297

(being divested by Union Bank Plc)

By

CITADEL NOMINEES LIMITED

RC: 31952

This Memorandum is being issued in compliance with provisions of the Investments and Securities Act No. 29 of 2007, the Rules and Regulations of the Securities and Exchange Commission.

As far as Citadel Nominees Limited is aware, the information contained in this Memorandum is correct and does not omit any material matters as at the date of this Memorandum. This Memorandum will not be updated hereafter. Citadel Nominees Limited has not authorized any third party to make statements regarding the proposed Acquisition.

This document constitutes an offer to Citadel Nominees Limited to acquire 80% Equity Stake being divested by Union Bank Plc in Union Registrars Limited and is not to be interpreted as, an offer or an invitation or request to the general public.

Financial Adviser to Citadel Nominees Limited:

RC: 189502

THIS DOCUMENT IS DATED MAY 27, 2014

Solicitor

- Legal due diligence
- Legal opinions
- Draft Agreements
- Ensure overall legal compliance

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or any action to be taken, you should consult your Stockbroker, Banker, Solicitor, Accountant or any other professional adviser duly registered under the Investments and Securities Act No. 29, 2007 immediately.

If you have sold or otherwise transferred all your shares in Custodian and Allied Insurance Plc or Crusader Nigeria Plc please give this document and the accompanying proxy forms to the purchaser or transferee or to the Stockbroker, Bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The distribution of this document in jurisdictions other than Nigeria may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of such jurisdiction.

SCHEME OF MERGER

(Under Part XII of the Investments and Securities Act No. 29, 2007)

BETWEEN

AND

CUSTODIAN AND ALLIED INSURANCE PLC RC 171209

CRUSADER NIGERIA PLC RC 7073

Incorporating an Explanatory Statement on the Proposed Scheme of Merger

Chapel Hill Advisory Partners Limited is acting as Financial Adviser to Custodian and Allied Insurance Plc and Meristem Securities Limited is acting as Financial Adviser to Crusader Nigeria Plc.

Chapel Hill Advisory Partners Limited and Meristem Securities Limited will not be responsible to any person, individual or corporate body other than Custodian and Allied Insurance Plc and Crusader Nigeria Plc, respectively, in relation to the transactions and arrangements referred to herein.

Notices convening the respective Court-Ordered Meetings of Custodian and Allied Insurance Plc and Crusader Nigeria Plc are set out on pages 103 to 108. To be valid, proxy forms must be completed, signed and stamped (together with the Power of Attorney or other authority- if any - under which they are signed and in accordance with the instructions printed thereon), and must be returned to the respective Registrars of Custodian and Allied Insurance Plc or Crusader Nigeria Plc (as applicable) not later than 24 hours before the time scheduled for the respective Court-Ordered Meetings.

THE PROPOSALS, WHICH ARE THE SUBJECT OF THE SCHEME FOR THE PROPOSED MERGER SET OUT IN THIS DOCUMENT, HAVE BEEN CLEARED WITH THE SECURITIES & EXCHANGE COMMISSION. THE ACTIONS THAT YOU ARE REQUESTED TO TAKE ARE SET OUT ON PAGES 20 OF THIS SCHEME DOCUMENT. NOTICES OF THE COURT-ORDERED MEETINGS TO BE HELD ARE SET OUT ON PAGES 103 TO 108.

FINANCIAL ADVISER TO CUSTODIAN AND ALLIED INSURANCE PLC — RC 622258

FINANCIAL ADVISER TO CRUSADER NIGERIA PLC — RC 442255

Reporting Accountant

- Carry out financial due diligence
- Prepare reports on historical financial results
- Prepare memorandum on the company’s profit forecasts
- Review financial disclosures in the Information Memorandum/Scheme of Merger

Roles Played by Other Professional Parties

GREENWICH TRUST LIMITED

OASIS INSURANCE ...welcome relief

Sell Side Advisers

Sale of **71.2%** equity stake in **Oasis Insurance Plc**

Sole Financial Adviser

GREENWICH TRUST LIMITED 2014

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or any action to be taken, please consult your Stockbroker, Financial Adviser, Solicitor, Accountant or any other professional adviser duly registered under the Investment and Securities Act No 29, 2007 immediately.

If you have sold or otherwise transferred all your shares in United Bank for Africa Plc, please give this document and the accompanying forms of proxy to the purchaser or transferee, or to the Stockbroker, Bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The distribution of this document in jurisdictions other than Nigeria may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction.

SCHEME OF ARRANGEMENT

Under Sections 106 and 539 of Companies and Allied Matters Act, 2004

BETWEEN

UNITED BANK FOR AFRICA PLC (RC 2457)

UBA

AND

THE HOLDERS OF ITS FULLY PAID ORDINARY SHARES OF N0.50KOBO EACH ON THE PROPOSED RESTRUCTURING OF UNITED BANK FOR AFRICA PLC

Incorporating an Explanatory Statement on the Proposed Scheme

Afrinvest (West Africa) Limited ("Afrinvest"), BGL Plc ("BGL") and UBA Capital Plc ("UBA Capital") are acting as Joint Financial Advisers to United Bank for Africa Plc ("UBA" or "the Bank") in connection with the Scheme.

Afrinvest, BGL and UBA Capital will not be responsible to any other individual or corporate body for providing advice in relation to the transaction and arrangements referred to herein.

A Notice convening the Court-Ordered Meeting of UBA is set out at the end of this document. To be valid, proxy forms must be completed, together with the Power of Attorney or other authority, if any, under which they are signed and in accordance with the instructions printed thereon, and must reach the Company Secretary of UBA as the case may be, not less than 24 hours before the time scheduled for the meeting.

THE PROPOSALS WHICH ARE THE SUBJECT OF THE SCHEME OF ARRANGEMENT SET OUT IN THIS DOCUMENT HAVE BEEN CLEARED WITH THE SECURITIES & EXCHANGE COMMISSION. THE ACTIONS THAT YOU ARE REQUESTED TO TAKE ARE SET OUT ON PAGE 30. NOTICE OF THE MEETING TO BE HELD IS SET OUT ON PAGES 129 TO 131

FINANCIAL ADVISERS

AFRINVEST RC 261272 | bgl plc RC 223042 | UBA Capital RC 444999

THIS SCHEME OF ARRANGEMENT IS DATED 15TH NOVEMBER, 2012

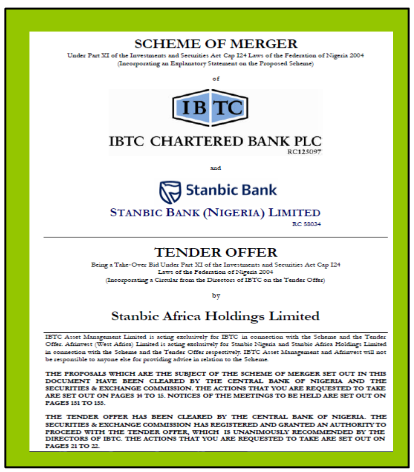
Auditors

- Prepare full year audit
- Review financial disclosures in the Information Memorandum/Scheme of Merger
- Provide working papers and other relevant financial documents required by Reporting Accountants

Stockbrokers

- Prepare NSE application for enlarged entities that are interested in becoming listed
- Liaise with NSE and obtain requisite approvals
- Coordinate listing day activities

Roles Played by Other Professional Parties


SCHEME OF MERGER

of

IBTC CHARTERED BANK PLC

and

Stanbic Bank

STANBIC BANK (NIGERIA) LIMITED

TENDER OFFER

by

Stanbic Africa Holdings Limited

Escrow Banks

- Maintain account for the receipt of proceeds in an escrow account
- Manage disbursement of proceeds in accordance with the terms of the executed agreement

Registrars

- Credit CSCS accounts with revised share allotment
- Print new share certificates and dispatch to shareholders without CSCS account
- Issue new certificate for change of name if applicable

Section

Conclusion

- How successful and efficient an M&A deal becomes is partly a function of the quality of professional Parties that partake in its execution.

- To maximize the chances of success, M&A Parties should be carefully selected based on the criteria set out in section 3 of this paper.

- Appointment of Parties should be made well in advance to enable them properly prepare for what usually is a very engaging and rigorous exercise.

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Thank you!